(text box: 1)BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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| IN THE MATTER OF THE APPLICATION OF FALLS WATER COMPANY, INC. FOR AUTHORITY TO INCREASE ITS RATES AND CHARGES. | )  )  )  )  )  )  )  )  ) | CASE NO. FLS-W-97-1  NOTICE OF APPLICATION  NOTICE OF MODIFIED PROCEDURE  NOTICE OF COMMENT/ PROTEST DEADLINE |

YOU ARE HEREBY NOTIFIED that on May 19, 1997, Falls Water Company, Inc. (Falls Water; Company), an Idaho not-for-profit corporation and holder of Certificate of Public Convenience and Necessity No. 236, applied to the Idaho Public Utilities Commission for authoriza­tion to increase its rates and charges for water service.  Falls Water provides water service in the Idaho Falls area to approximately 976 metered residential customers, 7 metered commercial customers, and 553 flat rate residential customers.

Falls Water requests authorization of a general 34.9% increase in water rates as follows:

◆Increase flat rate residential customer monthly charges from $8.80 plus $0.35 for DEQ fee to $11.65 plus $0.35 for DEQ fee for a total monthly rate of $12.00.

◆Increase residential and commercial metered rates from $8.80 plus $0.35 (DEQ) for the first 40,000 gallons and $0.17 per thousand gallons in excess of 40,000 gallons to $11.65 plus $0.35 (DEQ) for the first 40,000 gallons and $0.30 per thousand gallons in excess of 40,000.

Falls Water also requests authorization of the following charges:

◆Increase hook-up fees from $300 to $500.

◆Institute a service charge for delinquent accounts in the amount of 1.5% per month with a $2 minimum.

Except for these changes, it is the Company’s intention that the tariffs on file with the Commission remain the same.

Falls Water in its Application states as follows:

The need for filing this Application has come about due to the fact that the Applicant Company is currently operating at a loss.  The requested increase in charges will result in revenue sufficient to pay for the current operating expenses and provide a small return which will be held by the corporation for system improvements and replacement.  As stated above, Falls Water Com­pany, Inc. is an Idaho not-for-profit corporation and is therefore not author­ized to make any distributions of profits to owners, but can utilize profits for expansion and improvement.

The Applicant has not made application for a rate increase since October 1989.  At that time an increase of 11.4% or $0.90 per customer per month was granted.  The management of Falls Water has tried to be frugal and conservative in order to maintain the rates as low as possible.  The age of some of the system, however, is requiring more frequent repairs and has caused this inevitable Application.

Falls Water requests that the changes in rates take effect as soon as possible but at the beginning of a calendar month to avoid partial monthly increases.  Falls Water requests that its Application be processed under the Commission’s Rules of Modified Procedure.

Included with the Company’s Application are the following attachments, schedules and proposed tariffs:

1.  Copy of customer notification of filing

2.  Three year balance sheet

3.  Three year detail of operating expenses

4.  Three year detail of revenues and income statement

5.  Calculation of rate base

6.  Statement of income at present and proposed rates

7.  Explanation of rate calculations

8.  Proposed tariff schedules and legislative format

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. FLS-W-97-1.  The Commission has preliminarily determined that the public interest may not require a hearing to consider the issues presented and that the issues raised by the Company’s filing may be processed under Modified Procedure, i.e. by written submission rather than by hearing.  Reference Commission Rules of Procedure IDAPA 31.01.01.201-204.

YOU ARE FURTHER NOTIFIED that the Commission will not hold a hearing in this proceeding unless it receives written protests or comments opposing the use of Modified Procedure and stating why Modified Procedure should not be used.  Reference IDAPA 31.01.01.203.

YOU ARE FURTHER NOTIFIED that the deadline for filing written comments or protests with respect to the Application and the use of Modified Procedure in Case No. FLS-W-97-1 is Friday, July 25, 1997.  Persons desiring a hearing must specifically request a hearing in their written protests or comments.

YOU ARE FURTHER NOTIFIED that if no protests or comments are received within the deadline, the Commission may consider the matter and enter its order without a hearing.  If protests or comments are filed within the deadline, the Commission will consider them and may set the matter for hearing or may decide the matter and issue its order on the basis of the written positions before it.  Reference IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that written comments concerning this Application must be mailed to the Public Utilities Commission and Falls Water Company, Inc. at the addresses following below:

COMMISSION SECRETARYKELLY D. HOWELL

IDAHO PUBLIC UTILITIES COMMISSIONFALLS WATER COMPANY, INC.

PO BOX 83720405 11TH STREET

BOISE, IDAHO  83720-0074IDAHO FALLS, IDAHO 83404

Street Address for Express Mail:

472 W WASHINGTON ST

BOISE, IDAHO  83702-5983

All comments filed should contain the case caption and case no. shown on the first page of this document.

DATED at Boise, Idaho this day of June 1997.

Myrna J. Walters

Commission Secretary

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**COMMENTS AND ANNOTATIONS**

Text Box 1:

**TEXT BOXES**

Office of the Secretary

Service Date

June 2, 1997